Texas Lemon Law



2007 Annual Report



Greetings:

Since the inception of the Texas Lemon Law in 1983, it has continued to help consumers who buy or lease new motor vehicles with defects and who have repeated problems getting those vehicles properly repaired. From 1988 to 2007 there have been 16,700 complaints filed. It is estimated that since 1993 the Lemon Law has generated over 94 million dollars in relief to Texas consumers.

The 2007 report, which is the sixteenth annual report published on the Lemon Law, includes information on the program results, geographic distribution of complaints filed, defects reported, complaints filed and closed, complaint processing times, settlements, and vehicles ordered repurchased or replaced.

Since the Lemon Law was enacted, several amendments have been made to the law by the Texas Legislature and several rules have been adopted by the various rulemaking authorities. The 1991 amendments to the law included increasing the time to file a complaint from 18 months to 30 months, expanding the relief to include incidental expenses and adding a disclosure requirement for reacquired vehicles. In 1997, the Legislature expanded the law by adding towable recreational vehicles (TRVs). This made Texas the first state to include TRVs in its Lemon Law.

In 1998, the Lemon Law Rules were amended to require that a label be affixed to the reacquired vehicles. We have recently changed the label from a sticker to a tag that hangs from the rear view mirror. In 2000, the disclosure requirement was expanded to include vehicles reacquired as a result of settlements and lemon vehicles transferred to Texas for resale. In an effort to hinder what is known in the industry as "lemon laundering" or "title washing" and facilitate the enforcement of the disclosure requirements, the Lemon Law Rules were amended to require that a manufacturer, distributor or converter re-title a vehicle reacquired under the Lemon Law. The Vehicle Titles and Registration Division now annotates the title history of vehicles reacquired in Texas as well as vehicles reacquired in another state and transferred to Texas for resale. In 2004, hearings by written submission or by telephone were authorized. Recent legislation requires that complaints filed after September 1, 2007, be heard by an Administrative Law Judge (ALJ) from the State Office of Administrative Hearings instead of by an ALJ from the Motor Vehicle Division (MVD).

In 2007 MVD updated its databases into an integrated system and developed automated database applications to provide improved access by the staff. The new system includes Web publishing and document imaging. Within the next few years, improved public access should be available, including the filing of complaints online.

The customer satisfaction survey results, which have been added to the report again this year, continue to indicate that the vast majority of Texas citizens who have used the Lemon Law consider it to be an effective remedy in resolving a complaint involving a problem vehicle. Feel free to contact the MVD staff to suggest improvements in the program.

Sincerely,

Brett Bray

Brett Bray Director Motor Vehicle Division

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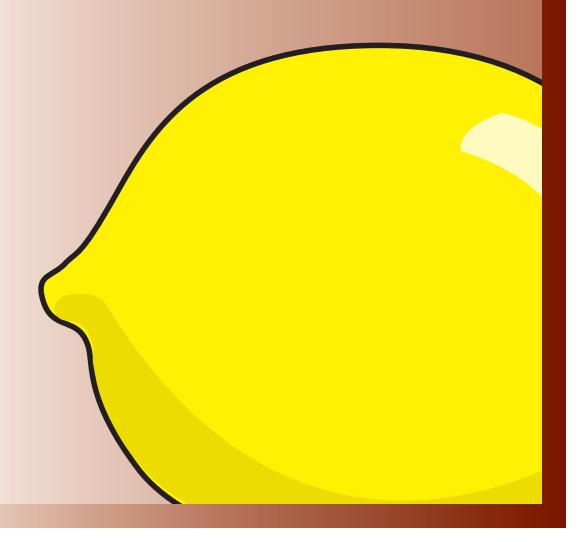
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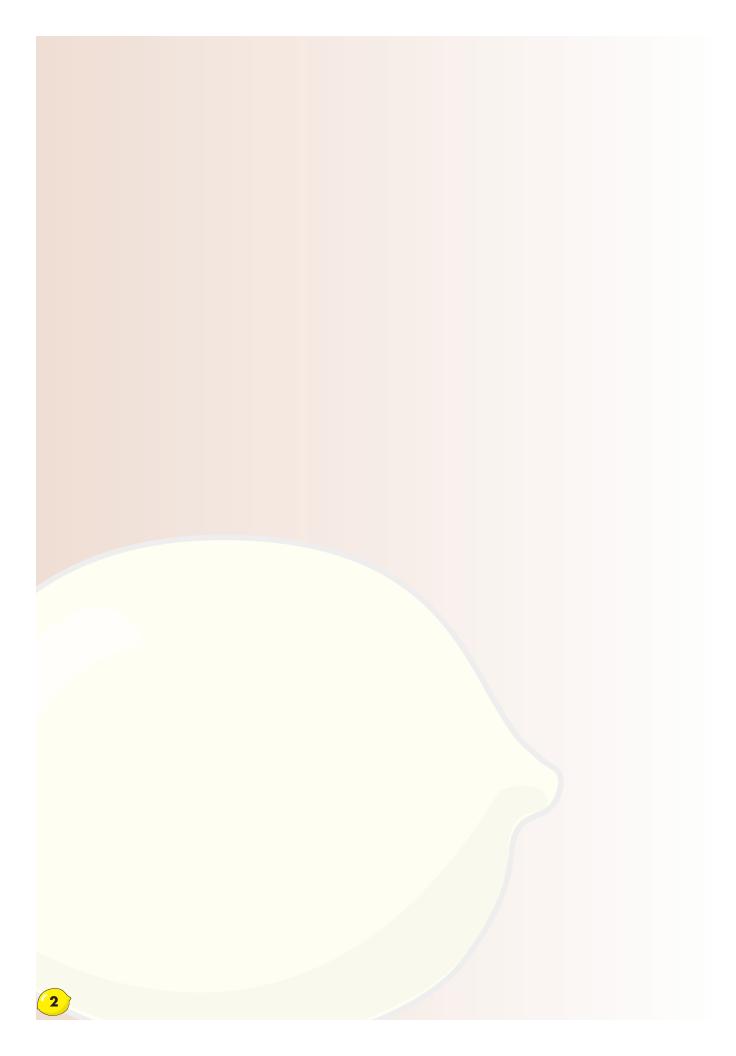
Support Staff

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VEHICLES COVERED





VEHICLES COVERED



PASSENGER CARS



LIGHT TRUCKS
INCLUDES MINI-VANS AND
SPORT UTILITY VEHICLES









MOTOR HOMES (MH)



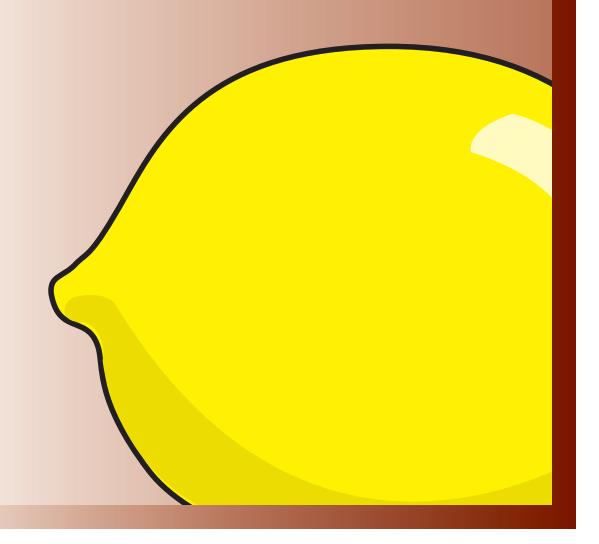




HEAVY TRUCKS (HT)



INTRODUCTION TO THE PROGRAM RESULTS FOR CY 2007





INTRODUCTION TO THE PROGRAM RESULTS FOR CY 2007

The report includes text and charts to illustrate the resolution of 565 complaints during 2007. Of the complaints processed in Calendar Year 2007 (CY '07), 262 were carried over from the end of CY '06 and 669 were complaints that were received in CY '07. Chart A shows an overview of the program results for CY '07 along with the previous two years' results for comparison.

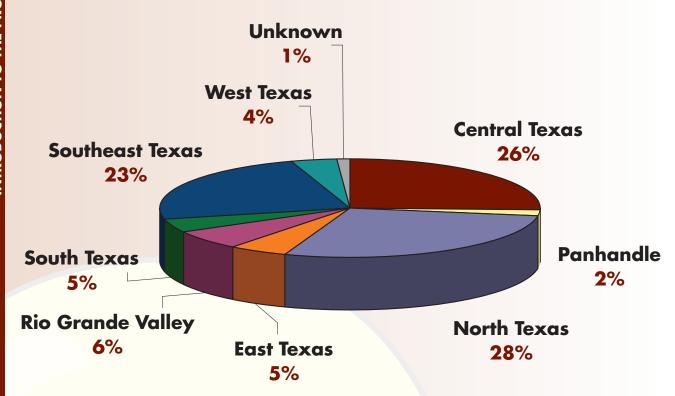
Most complaints involve passenger cars and light trucks; however, complaints were received on all terrain vehicles, medium trucks, heavy trucks, motorcycles, motor homes and towable recreational vehicles. Prices of the vehicles complained against ranged from a few thousand dollars to over two hundred thousand dollars for a luxury motor home.

CHART A SUMMARY OF PROGRAM RESULTS

	CY '05	CY '06	CY '07
Complaints Filed	707	591	669
Complaints Closed	744	621	565
Mediation Inspections	57	39	25
Prehearing Settlements	322	270	261
Hearings Scheduled	566	490	408
Final Orders (Hearings Held)	152	107	88
Repurchase/Replacement Orders	41	32	16

Chart B shows the geographic distribution of complaints by hearing region on a county basis. The hearings are held primarily at Texas Department of Transportation offices.

CHART B GEOGRAPHIC DISTRIBUTION OF COMPLAINTS FILED BY HEARING REGION ON COUNTY BASIS



CENTRAL TEXAS

Madison Atascosa Comal Hays Scurry Shackelford Bandera Comanche Howard Mason Concho Irion Medina Stephens Bastrop Crockett Bexar Jones Menard Stonewall Blanco Eastland Milam Kendall Sutton Mills Borden Edwards Kent Taylor Mitchell Brazos Fisher Kerr Tom Green Brown Freestone Kimble Nolan Travis Burleson Uvalde Frio Lampasas Reagan Gillespie Real Walker Burnet Lee Caldwell Glasscock Robertson Washington Leon Callahan Grimes Llano Runnels Williamson McCulloch Coke Guadalupe San Saba Wilson Coleman Haskell McMullen Schleicher

EAST TEXAS

Anderson Gregg Morris Sabine Titus Nacogdoches San Augustine Angelina Harrison Trinity Bowie Henderson Panola San Jacinto Upshur Camp Houston Polk Shelby Van Zandt Cass Marion Rusk Smith Wood Cherokee

NORTH TEXAS

Archer Delta Hill McLennan Tarrant Baylor Denton Hood Montague Throckmorton Beĺl Ellis Hopkins Navarro Wichita Wilbarger Bosque Erath Palo Pinto Hunt Clay Collin Falls Jack Parker Wise Fannin Johnson Rains Young Cooke Franklin Kaufman Red River Coryell Grayson Lamar Rockwall

Limestone

Somervell

PANHANDLE

Hamilton

Dallas

Armstrong Dallam Hale Lamb Randall Bailey Dawson Hall Lipscomb Roberts Deaf Smith Lubbock Briscoe Hansford Sherman Carson Dickens Hardeman Swisher Lvnn Castro Donley Hartley Moore Terry Childress Hemphill Motley Floyd Wheeler Cochran Foard Hockley Ochilfree Yoakum Collingsworth Gaines Hutchinson Oldham Cottle Garza King Parmer Crosby Gray Potter Knox

SOUTH

Aransas Dimmit Jim Wells Live Oak Val Verde Austin Duval Karnes Matagorda Victoria Kinney Bee Fayette Maverick Webb Kleberg Calhoun Wharton Goliad Nueces Colorado Gonzales La Salle Refugio Zavala DeWitt Jackson Lavaca San Patricio

WEST

Andrews Loving Presidio Ward Ector Brewster El Paso Martin Winkler Reeves Crane Hudspeth Midland Terrell Culberson Jeff Davis Pecos Upton

SOUTHEAST

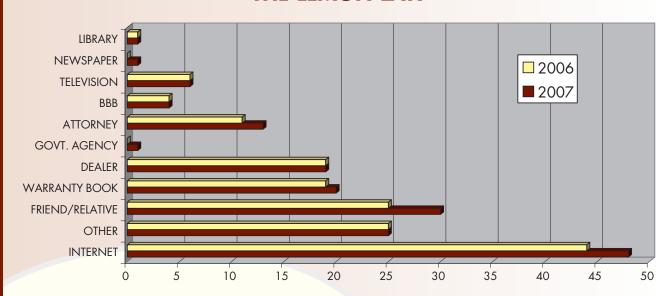
Brazoria Galveston Jasper Montgomery Tyler
Chambers Hardin Jefferson Newton Waller
Fort Bend Harris Liberty Orange

RIO GRANDE

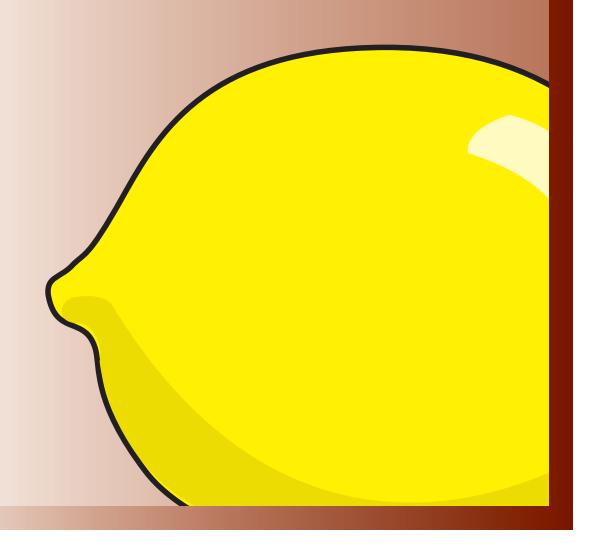
Brooks Hidalgo Kenedy Willacy
Cameron Jim Hogg Starr Zapata

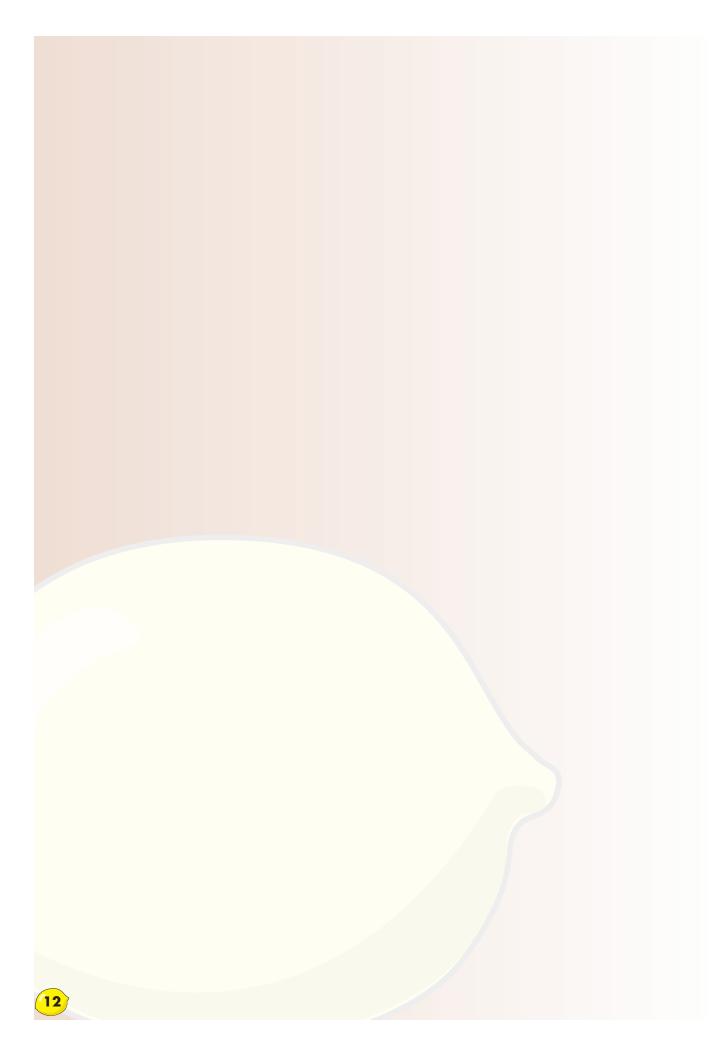
Chart C lists the different ways consumers hear about the Lemon Law. For CY '07, survey results indicate the predominate source of Lemon Law information for consumers has been the Internet. Out of 565 surveys that were mailed to consumers in CY '07, 30 percent of them were returned, compared to 35 percent in CY '06. The numbers below come from the percentage of returned surveys that were received.

CHART C HOW CONSUMERS HEAR ABOUT THE LEMON LAW



COMPLAINT PROCESS





COMPLAINT PROCESS

PROVISIONS OF THE TEXAS LEMON LAW

According to Chapter 2301 of the Occupations Code:

Subchapter M provides **new** motor vehicle owners, lessors or lessees, who purchase or lease their vehicles from licensees of the Motor Vehicle Division, a forum to air complaints about vehicles that they have been unable to have repaired under warranty. Depending on the circumstances, a consumer can seek repurchase or replacement of the vehicle by the manufacturer, converter or distributor under the Lemon Law. A \$35.00 filing fee is required.

Section 2301.204 provides repair relief to motor vehicle owners whose vehicles do not qualify for repurchase or replacement according to Subchapter M.

For buyers of **used** vehicles or new vehicles purchased or leased from non-licensees of the Motor Vehicle Division, available relief is limited to repairs only under Section 2301.204.

ENFORCEMENT OF THE TEXAS LEMON LAW

The Motor Vehicle Division of the Texas Department of Transportation, specifically the Consumer Affairs Section, is responsible for enforcement of the Texas Lemon Law. Chart D describes the complaint process and time span which may vary depending on the case. A resolution of the complaint may be reached at any stage in the process.

CHART D COMPLAINT PROCESS AND TIME SPAN

1. RECEIPT OF COMPLAINT:

A consumer files a written complaint with the Motor Vehicle Division and may submit a \$35.00 filing fee if the vehicle meets eligibility for filing under Subchapter M.

2. 10 DAYS FROM RECEIPT OF COMPLAINT:

The Motor Vehicle Division notifies the vehicle manufacturer, the selling dealer and the servicing dealers of receipt of the complaint.

3. 35 DAYS FROM RECEIPT OF COMPLAINT:

The Case Advisors attempt to resolve the complaint through mediation. A mediation inspection may be scheduled.

4. 90 DAYS FROM RECEIPT OF COMPLAINT:

The Administrative Law Judge schedules and conducts a hearing on the complaint.

5. 135 DAYS FROM RECEIPT OF COMPLAINT:

The Administrative Law Judge issues a Decision and Final Order.

6. 150 DAYS FROM RECEIPT OF COMPLAINT:

If a party does not agree with the Administrative Law Judge's Decision and Final Order, a Motion for Rehearing may be filed with the Director of the Motor Vehicle Division.

7. 165 DAYS FROM RECEIPT OF COMPLAINT:

The Director rules on the Motion for Rehearing.

8. CLOSE COMPLAINT:

Parties may still file an appeal in the District Court in Travis County.

RESPONSIBILITIES OF THE CASE ADVISORS

Before a hearing is scheduled: When a complaint is received, it is evaluated by a Case Advisor who is ASE certified to determine whether the consumer is eligible for relief. After determining that a complaint meets the jurisdictional requirements of either Subchapter M or Section 2301.204, the Case Advisor serves as a liaison between the consumer and representatives of the manufacturer and dealer. Often, their assistance results in resolution of complaints soon after filing.

After a hearing is scheduled: The Case Advisor contacts consumers prior to a hearing to review the hearing procedures and to answer any questions that may arise. The Case Advisor furnishes information concerning the proof requirements of the Lemon Law described in the consumer handbook and the "Consumer's Guide to the Texas Lemon Law" video.

VEHICLE INSPECTION PROGRAM

The vehicle inspections are conducted by ASE certified inspectors in an attempt to resolve complaints earlier in the process without the need for a hearing. Generally, inspections are performed at authorized dealerships near the consumer so that diagnostic equipment is readily available. The Motor Vehicle Division's inspector analyzes the facts based on the inspection of the vehicle and the evidence that the consumer could prove, should a hearing be required. Very often, the parties (consumer, consumer's representatives and manufacturers' representatives) reach an agreement during the inspections to resolve the complaint. In CY '07, 25 inspections were conducted throughout the state. Of these complaints, 88 percent were resolved. Chart E shows the results.

CHART E MEDIATION INSPECTIONS

MANUFACTURER		1.204 irs only)	Subchapter M (repurchase/replacement)		
	Held	Resolved	Held	Resolved	
Chrysler	3	3	12	12	
Ford	2	2	0	0	
General Motors	0	0	2	2	
Harley Davidson	0	0	1	1	
Jaguar	0	0	1	0	
Nissan	0	0	3	2	
Volkswagen	1	0	0	0	
TOTALS	6	5	19	1 <i>7</i>	
PERCENT RESOLVED	83	3%	89%		

HEARINGS

Administrative Law Judges travel throughout the state holding hearings in locations as convenient for consumers as possible.

WHAT TO EXPECT AT A HEARING

- Consumers and manufacturers are allowed to present evidence and arguments in support of their respective positions.
- The parties and their witnesses personally appear and present their evidence, under oath, and in accordance with the Administrative Procedure Act, the Texas Rules of Civil Procedure and the Texas Rules of Evidence.
- Consumers are required to bring their vehicle to the hearing for an inspection and test drive.

WHAT TO EXPECT FOLLOWING A HEARING

- The Administrative Law Judge considers all of the evidence received at a hearing and issues a written decision and order at a later date. Generally, orders require one of the following:
 - Repurchase or replacement of the vehicle by the manufacturer with a reasonable allowance for the consumer's use of the vehicle deducted,
 - Repair of the vehicle under the manufacturer's warranty, or
 - Dismissal of the complaint if the defect is not proven.

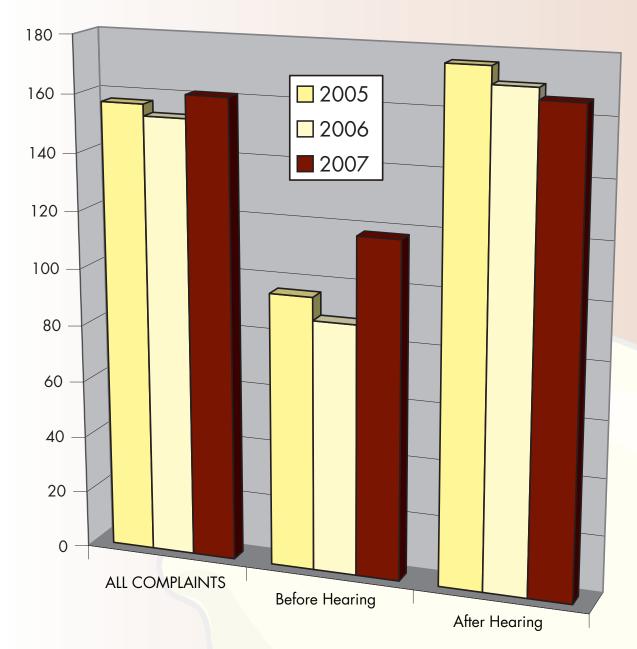
WHEN THE DECISION IS FINALIZED

The decision and order are sent to the parties by certified mail.

- Any party who disagrees with the decision may file a motion for rehearing (a request for reconsideration of the decision) with the Motor Vehicle Division. In CY '07, 26 motions for rehearing were filed with the Motor Vehicle Division. A motion for rehearing can result in an affirmation or minor modification of the original decision and order to the granting of a complete new hearing.
- After a final ruling on a motion for rehearing, any party who disagrees with the Motor Vehicle Division's final action may file an appeal in state district court under the substantial evidence rule. However, parties seldom file an appeal. In fact, during CY '07 and CY '06, no Lemon Law cases were appealed. In CY '05, two Lemon Law cases were appealed.

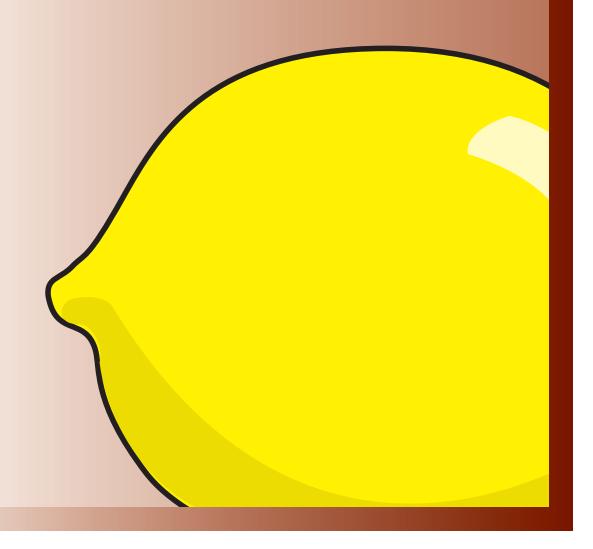
Chart F shows the average processing times for the complaints closed for CY '05 through CY '07. You will note that the number of days vary depending on what stage in the process the complaints are closed. You will also note the average processing times have increased somewhat.

CHART F AVERAGE NUMBER OF DAYS TO PROCESS COMPLAINTS





COMPLAINTS FILED





COMPLAINTS FILED

Chart G shows how many complaints were filed against manufacturers (listed alphabetically by make) for CY '05 through CY '07. Although the number of complaints filed increased by 13.2 percent from CY '06, some passenger car and truck manufacturers experienced declines in the number of complaints filed on their products such as Ford, Isuzu, Mercedes-Benz, Saturn and Suzuki. On the other hand, there were a few passenger car and truck manufacturers that experienced increases such as General Motors, Hyundai, Nissan, Toyota and Volkswagen.

CHART G COMPLAINTS FILED - BY MANUFACTURER AND MAKE

MANUFACTURER	MAKE	CY '05	CY '05 CY '06	
Alfa Leisure (MH)		1	1	1
AM General		2	0	0
Ameri-Camp (TRV)		0	1	1
American Ironhorse (MC)		2 1		1
American Performance Cycle (MC)		0	0	1
Aprilia (MC)		1	4	1
Arctic Cat (ATV)		0	1	0
Aston Martin		0	0	1
Baja Motorsports (ATV)		0	0	1
Big Dog (MC)		2	1	0
	BMW	10	12	14
	Mini	2	2	2
BMW including (MC) TOTAL		12	14	16
Bourget (MC)		1	1	0
Champion (MT)		0	0	1
	Chrysler	34	32	25
	Dodge	77	79	73
	Jeep	14	25	45
	Plymouth	1	0	0
Chrysler TOTAL		126	136	143
CMSI Inc (MC)		0	0	1
Coachmen (MH)		0	0	1
Country Coach (MH)		0	0	1
Crossroads (MH)		0	1	0
Cruiser RV (TRV)		0	0	1
Damon (MH)		1	0	0
Doubletree (TRV)		1	0	0
Ducati (MC)		1	0	2
Dynamax (MH)		1	1	1
E-Max (MC)		0	0	2
Fleetwood (MH/TRV)		9	3	7
	Ford	159	82	69
	Lincoln	10	13	5
	Mercury	5	3	2
Ford TOTAL		174	98	76
Forest River (MH/TRV)		4	3	5
Freightliner (HT)		11	2	0
Frontier (TRV)		2	0	0
	Buick	1	3	5
	Cadillac	8	12	13
	Chevrolet	81	60	93
	GMC	9	17	16
	Hummer	2	1	1
	Oldsmobile	1	1	0
	Pontiac	9	11	9
General Motors TOTAL		111	105	137
Gulf Stream (MH/TRV)		4	3	9
Harley-Davidson (MC)		0	2	1

CHART G (CONTINUED)

MANUFACTURER	MAKE	CY '05	CY '06	CY '07
Hi-Lo Trailer Co. (TRV)		0	0	1
	Acura	7	1	2
(Including ATV/MC) Honda TOTAL	Honda	11	20	21
Hyundai		18	21	23 16
International (HT)	1	1	0	0
Isuzu		2	6	1
Jaguar		4	1	3
Jayco (MH/TRV)		2	1	2
Kawasaki (MC) Keystone (TRV)		2 7	0	1 2
Kia		11	10	9
Kubota (ATV)		1	0	1
K-Z Inc. (TRV)		1	0	4
Land Rover		6	5	3
Mack (HT) Mazda		0	0 17	1
Mercedes-Benz		7	18	20 10
Mitsubishi	1	3	2	3
	Holiday Rambler	0	1	1
I	Monaco	4	6	2
Monaco Coach (MH/TRV)		4	7	3
National RV (MH) Navistar (HT)		0	1	0
Newmar (MH)		0	1	1
Troumen (mar)	Infiniti	4	. 6	3
	Nissan	52	25	43
Nissan TOTAL		56	31	46
	Kenworth	0	1	2
Paccar TOTAL (HT) Peterson (TRV)	+	0	1	2
Pilgrim (TRV)		1	0	0
Polaris (ATV/MC)		1	1	1
Porshe		1	1	0
R-Vision Inc. (TRV)		1	0	0
Saab Saleen		5 1	2	2
Saturn		3	11	0 7
Saxon (MC)		0	1	0
Skyline (TRV)		1	0	0
Subaru		2	1	2
SunL Group (ATV/MC)		0	2	1
Suzuki (Including ATV/MC)		10	16	5
Teton (TRV)	A: (AALI)	0	0	1 2
	Airstream (MH) Dutchmen (TRV)	0		2
	El Dorado National	0		1
	Four Winds (MH)	0	1	4
	Thor (MH/TRV)	10	2	0
Thor TOTAL		10	5	9
Tiffin Motor Homes (MH)		1	1	2
	Lexus	1 9	3	3
Toyota TOTAL	Toyota	10	14	23
Travel Supreme (MH)	1	0	1	0
United Motors (MC)	1	0	0	1
Vanguard (TRV)		0	0	1
Vento (MC)		0	1	0
	Audi		1	2
	Volkswagen	35		33
Volkswagen TOTAL		40	11	35
Volvo Western RV (MH)		3	4 0	5 1
Winnebago (MH)	1	3	5	3
Yamaha (MC)		2	7	1
Misc complaints received				6
TOTAL COMPLAINTS FILED		707	591	669

Chart H shows how many passenger car and truck complaints were filed by model. It also includes a complaint filed index (CFI). Note that the highlighted models reflect combined sales which result in one Market Share and one CFI for those particular series. The market share in Chart H is calculated based on the last three years of Texas sales, unless otherwise indicated. The CFI was obtained by dividing the model's share of the complaints filed by its market share. Charts H1, H2 and H3 contain the same information for motor homes, TRVs and motorcycles/all terrain vehicles.

CHART H (PASSENGER CARS AND TRUCKS) COMPLAINT FILED INDEX BY MAKE AND MODEL

MAKE	MODEL	COMPLAINTS FILED	COMPLAINT SHARE	AVG. TX SALES	MARKET SHARE	CFI
Acura	TL	2	0.30%	4,940	0.4272%	0.70
Aston Martin	Vanquish	1	0.15%	7	0.0006%	246.97
Audi	A4	1	0.15%	1,343	0.1161%	1.29
	Q7*	1	0.15%	504	0.0436%	3.43
BMW	300 Class	6	0.90%	7,422	0.6417%	1.40
	600 Class	1	0.15%	1,259	0.1088%	1.37
	700 Class	1	0.15%	1,199	0.1036%	1.44
	M5	2	0.30%	159	0.0137%	21.75
	Х3	2	0.30%	1,271	0.1099%	2.72
	X5	2	0.30%	1,763	0.1525%	1.96
Buick	Lacrosse	2	0.30%	2,490	0.2153%	1.39
	Lucerne	1	0.15%	2,457	0.2124%	0.70
	Rendezvous	2	0.30%	1,476	0.1276%	2.34
Cadillac	CTS	5	0.75%	8,548	0.7391%	1.01
	Deville*	2	0.30%	1,425	0.1232%	2.43
	Escalade	3	0.45%	5,457	0.4718%	0.95
	STS	1	0.15%	1,570	0.1357%	1.10
	XLR	2	0.30%	217	0.0188%	15.93
Champion	Defender (MT)	1	0.15%	Unknown	Unknown	Unknown
Chevrolet	Avalanche	2	0.30%	7,959	0.6882%	0.43
	Aveo	1	0.15%	4,617	0.3992%	0.37
	Kodiak C4500	5	0.75%	Unknown	Unknown	Unknown
	Kodiak C5500	2	0.30%	Unknown	Unknown	Unknown
	Colbalt	1	0.15%	12,692	1.0974%	0.14
	Colorado	7	1.05%	6,460	0.5585%	1.87
	Corvette	9	1.35%	3,154	0.2727%	4.93
	Equinox	6	0.90%	7,816	0.6758%	1.33
	Express G20	1	0.15%	4,872	0.4213%	0.35
	HHR	4	0.60%	5,345	0.4622%	1.29
	Malibu	8	1.20%	7,386	0.6386%	1.87
	Monte Carlo	1	0.15%	927	0.0802%	1.86
	Silverado	24	3.59%	69,693	6.0258%	0.60
	SSR	1	0.15%	313	0.0270%	5.53
	Suburban	7	1.05%	12,034	1.0405%	1.01
	Tahoe	8	1.20%	23,856	2.0626%	0.58
	Trailblazer	3	0.45%	8,329	0.7201%	0.62
	Uplander	3	0.45%	1,868	0.1615%	2.78
Chrysler	300	8	1.20%	8,635	0.7466%	1.60
	Apsen*	2	0.30%	1,272	0.1100%	2.72
	Crossfire	1	0.15%	550	0.0475%	3.15
	Pacifica	5	0.75%	2,374	0.2053%	3.64
	PT Cruiser	1	0.15%	6,078	0.5255%	0.28
	Sebring	2	0.30%	2,258	0.1952%	1.53
	Town & Country Van	6	0.90%	5,720	0.4945%	1.81

CHART H (CONTINUED)

MAKE	MODEL	COMPLAINTS FILED	COMPLAINT SHARE	AVG. TX SALES	MARKET SHARE	CFI
Dodge	Caliber*	3	0.45%	4,531	0.3918%	1.14
	Caravan Van	6	0.90%	<i>7</i> ,381	0.6382%	1.41
	Dakota Pickup	6	0.90%	4,072	0.3521%	2.55
	Durango	5	0.75%	5,908	0.5108%	1.46
	Intrepid*	2	0.30%	13	0.0011%	276.61
	Magnum	1	0.15%	1,398	0.1209%	1.24
	Neon*	2	0.30%	5,253	0.4541%	0.66
	Nitro*	2	0.30%	4,619	0.3994%	0.75
	Ram 1500 Pickup	14	2.09%			
	Ram 2500 Pickup	17	2.54%	48,707	3.8306%	1.76
	Ram 3500 Pickup	14	2.09%			
	Sprinter	1	0.15%	491	0.0425%	3.52
Ford	Contour	1	0.15%	Unknown	Unknown	Unknown
	Econoline	1	0.15%	3,657	0.3162%	0.47
	Escape	4	0.60%	10,388	0.8982%	0.67
	Expedition	6	0.90%	13,801	1.1933%	0.75
	Explorer	6	0.90%	11,198	0.9682%	0.93
	F150 Pickup	17	2.54%			0.55
	F250 Pickup	8	1.20%			
	F350 Pickup	9	1.35%	106,061	0.7074%	
	F450 Pickup (MT)	2	0.30%	100,001	9./0/4/0	
	F550 Pickup (MT)	2	0.30%			
	F650 Pickup (MT)	1	0.15%			
	Five Hundred	1	0.15%	4,111	0.3554%	0.42
	Focus	1	0.15%	10,898	0.9423%	0.16
	Freestyle	1	0.15%	2,545	0.2200%	0.68
	Fusion	2	0.30%	6,077	0.5255%	0.57
	Mustang	4	0.60%	13,906	1.2023%	0.50
	Taurus	3	0.45%	4,639	0.4011%	1.12
GMC	Canyon	1	0.15%	1,871	0.1618%	0.92
	Envoy	3	0.45%	3,503	0.3029%	1.48
	Sierra 1500 Pickup	7	1.05%	21,046	1.8197%	0.58
	Yukon	5	0.75%	12,256	1.0597%	0.71
Honda	Accord	3	0.45%	26,973	2.3322%	0.19
	Civic	3	0.45%	01.005	0.3918% 0.6382% 0.3521% 0.5108% 0.0011% 0.1209% 0.4541% 0.3994% 3.8306% 0.0425% Unknown 0.3162% 0.8982% 1.1933% 0.9682% 9.7874% 0.9423% 0.9423% 0.2200% 0.5255% 1.2023% 0.4011% 0.1618% 0.3029% 1.8197%	0.04
	Civic Hybrid	1	0.15%	21,225	1.8351%	0.24
	CR-V	2	0.30%	10,847	0.9379%	0.32
	Element	1	0.15%	3,354	0.2900%	0.52
	Fit*	1	0.15%	2,880	0.2490%	0.60
	Odyssey Van	4	0.60%	10,912		0.63
	Pilot	2	0.30%	8,649	0.7478%	0.40
	Prelude	1	0.15%	Unknown	Unknown	Unknown
	Ridgeline Pickup	1	0.15%	2,899	0.2507%	0.60
Hummer	Н3	1	0.15%	3,970		0.44
Hyundai	Accent	3	0.45%	2,680		1.94
	Azera*	1	0.15%	1,132		1.53
	Elantra	2	0.30%	5,381	0.4652%	0.64
	Entourage*	1	0.15%	720		2.40
	Sante Fe	3	0.45%	4,844		1.07
	Sonata	3	0.45%	7,026		0.74
	XG350*	3	0.45%	613		8.46

CHART H (CONTINUED)

MAKE	MODEL	COMPLAINTS FILED	COMPLAINT SHARE	AVG. TX SALES	MARKET SHARE	CFI
Infiniti	G35	2	0.30%	4,929	0.4261%	0.70
	M45	1	0.15%	367	0.0318%	4.71
Isuzu	i-290*	1	0.15%	293	0.0253%	5.91
Jaguar	XJ Series	3	0.45%	243	0.0210%	21.31
Jeep	Commander	9	1.35%	3,056	0.2642%	5.09
	Grand Cherokee	12	1.79%	7,067	0.6110%	2.94
	Liberty	13	1.94%	6,925	0.5988%	3.25
	Wrangler	11	1.64%	7,193	0.6220%	2.64
Kenworth	T300 (MT)	1	0.15%	Unknown	Unknown	Unknown
	W900 (HT)	1	0.15%	Unknown	Unknown	Unknown
Kia	Amanti	1	0.15%	653	0.0565%	2.65
	Optima	1	0.15%	2,563	0.2216%	0.67
	Rio	4	0.60%	3,898	0.3370%	1.77
	Rondo*	1	0.15%	654	0.0565%	2.65
	Sedona	1	0.15%	2,580	0.2230%	0.67
	Sorento	1	0.15%	4,487	0.3880%	0.39
Land Rover	LR3	1	0.15%	870	0.0753%	1.99
	Range Rover	2	0.30%	1,642	0.1420%	2.11
Lexus	IS Series	2	0.30%	3,337	0.2885%	1.04
	LX470	1	0.15%	614	0.0531%	2.81
Lincoln	Mark VIII	2	0.30%	1,484	0.1283%	2.33
	Navigator	2	0.30%	3,116	0.2694%	1.11
	Town Car	1	0.15%	2,293	0.1983%	0.75
Mack	CXN613 (HT)	1	0.15%	Unknown	Unknown	Unknown
Mazda	CX-7*	3	0.45%	2,927	0.2530%	1.77
	6	2	0.30%	4,018	0.3474%	0.86
	RX-8	11	1.64%	1,189	0.1028%	16.00
	Tribute	4	0.60%	3,694	0.3194%	1.87
Mercedes-Benz	C Class	3	0.45%	3,866	0.3342%	1.34
	CL/CLK Class	1	0.15%	1,367	0.1182%	1.26
	E Class	2	0.30%	2,518	0.2177%	1.37
	G55	1	0.15%	63	0.0055%	27.30
	ML320	1	0.15%	1,897	0.1640%	0.91
	S Class	2	0.30%	1,489	0.1287%	2.32
Mercury	Grand Marquis	1	0.15%	3,375	0.2918%	0.51
-	Monterey	1	0.15%	260	0.0225%	6.64
Mini	Cooper	2	0.30%	2,677	0.2315%	1.29
Mitsubishi	Endeavor	1	0.15%	1,532	0.1324%	1.13
	Outlander	1	0.15%	4,559	0.3942%	0.38
	Raider	1	0.15%	676	0.0585%	2.56

CHART H (CONTINUED)

MAKE	MODEL	COMPLAINTS FILED	COMPLAINT SHARE	AVG. TX SALES	MARKET SHARE	CFI
Nissan	350Z	5	0.75%	2,408	0.2082%	3.59
	Altima	8	1.20%	19,475	1.6839%	0.71
	Armada	2	0.30%	3,985	0.3446%	0.87
	Frontier	4	0.60%	6,730	0.5819%	1.03
	Maxima	4	0.60%	4,539	0.3924%	1.52
	Murano	3	0.45%	5,405	0.4673%	0.96
	Pathfinder	3	0.45%	5,739	0.4962%	0.90
	Quest Van	2	0.30%	2,126	0.1838%	1.63
	Sentra	2	0.30%	8,128	0.7028%	0.43
	Titan	3	0.45%	9,396	0.8124%	0.55
	Versa*	2	0.30%	3,466	0.2996%	1.00
	Xterra	5	0.75%	6,558	0.5670%	1.32
Pontiac	G5 *	1	0.15%	1,354	0.1171%	1.28
	G6	4	0.60%	5,595	0.4838%	1.24
	Grand Prix	1	0.15%	2,419	0.2091%	0.71
	Montana	1	0.15%	435	0.0376%	3.97
	Solstice	1	0.15%	1,077	0.0931%	1.60
	Sunfire*	1	0.15%	1,135	0.0981%	1.52
Saab	9-3	2	0.30%	1,159	0.1002%	2.98
Saturn	ION	3	0.45%	5,161	0.4462%	1.00
	VUE	4	0.60%	5,417	0.4684%	1.28
Subaru	Impreza	1	0.15%	948	0.0820%	1.82
	Outback*	1	0.15%	202	0.0174%	8.58
Suzuki	Forenza	1	0.15%	4,017	0.3473%	0.43
	Verona	4	0.60%	389	0.0336%	17.78
	Grand Vitara	1	0.15%	1,660	0.1435%	1.04
Thor	Eldorado (HT)	1	0.15%	Unknown	Unknown	Unknown
Toyota	4Runner	1	0.15%	9,806	0.8478%	0.18
•	Avalon	1	0.15%	6,160	0.5326%	0.28
	Camry	8	1.20%	29,001	2.5075%	0.48
	Highlander	1	0.15%	6,298	0.5445%	0.27
	Matrix	1	0.15%	Unknown	Unknown	Unknown
	Prius	1	0.15%	5,486	0.4743%	0.32
	RAV4	2	0.30%	6,231	0.5387%	0.55
	Tacoma Pickup	2	0.30%	12,388	1.0711%	0.28
	Tundra Pickup	3	0.45%	18,221	1.5755%	0.28
Volkswagen	GTI	3	0.45%	559	0.0483%	9.28
-	Jetta	13	1.94%	8,285	0.7163%	2.71
	New Beetle	3	0.45%	3,017	0.2609%	1.72
	Passat	9	1.35%	2,711	0.2344%	5.74
	Touareg	4	0.60%	720	0.0623%	9.60
Volvo	S40*	1	0.15%	1,263	0.1092%	1.37
-	S60	2	0.30%	1,282	0.1108%	2.70
	VN780 (HT)	1	0.15%	Unknown	Unknown	Unknown
	XC90	1	0.15%	2,040	0.1764%	0.85
Misc Complaints received		6	0.90%	Unknown	Unknown	Unknown
TOTAL COMPLAINTS FILED		595	88.9%			

Note: Highlighted models reflect combined sales which results in one Market Share and one CFI for those particular series.

^{*} Texas sales for these models are based on a two year average.

Consumers can determine if a model has received more or less than its "expected share" of complaints by using the following criteria:

- A model's share of the complaints filed equals its market share, the CFI will be 1.0
- A model has more than its expected share of complaints, the CFI will be greater than 1.0
- A model has less than its expected share of complaints, the CFI is less than 1.0

Based on the chart for passenger cars and trucks, there are 16 models with a CFI range below 0.5 and 15 models in the range between 0.51 and 1.0. **Models included in these lists are only those with a market share greater than 0.5 percent or average sales over 5,783.** Those models from lowest to highest CFI are:

CFI RESULTS (PASSENGER CARS AND TRUCKS)

CFI RANGE BELOW 0.5			
MAKE	MODEL	CFI	
Chevrolet	Colbalt	0.14	
Ford	Focus	0.16	
Toyota	4Runner	0.18	
Honda	Accord	0.19	
Honda	Civic/Civix Hybrid	0.24	
Toyota	Highlander	0.27	
Chrysler	PT Cruiser	0.28	
Toyota	Avalon	0.28	
Toyota	Tacoma Pickup	0.28	
Toyota	Tundra Pickup	0.29	
Honda	CR-V	0.32	
Honda	Pilot	0.40	
Nissan	Sentra	0.43	
Chevrolet	Avalanche	0.44	
Toyota	Camry	0.48	
Ford	Mustang	0.50	

CFI RANGE BETWEEN .51-1.0				
MAKE	MODEL	CFI		
Chevrolet	Silverado	0.60		
Nissan	Titan	0.55		
Ford	F Series	0.55		
Toyota	Rav4	0.56		
Ford	Fusion	0.57		
Chevrolet	Tahoe	0.58		
GMC	Sierra	0.58		
Chevrolet	Trailblazer	0.62		
Honda	Odyssey Van	0.63		
Ford	Escape	0.67		
GMC	Yukon	0.71		
Nissan	Altima	0.71		
Hyundai	Sonata	0.74		
Ford	Expedition	0.75		
Ford	Explorer	0.93		

There are 16 passenger car and truck models with a market share greater than 0.5 percent having a CFI greater than 1.0. Those models from lowest to highest CFI are:

CFI RANGE OVER 1				
MAKE	MODEL	CFI		
Cadillac	CTS	1.01		
Chevrolet	Suburban	1.01		
Nissan	Frontier	1.03		
Nissan	Xterra	1.32		
Chevrolet	Equinox	1.33		
BMW	300 Class	1.40		
Dodge	Caravan Van	1.41		
Dodge	Durango	1.47		
Chrysler	300	1.60		
Dodge	Ram Series	1.76		
Chevrolet	Colorado	1.88		
Chevrolet	Malibu	1.88		
Jeep	Wrangler	2.65		
Volkswagen	Jetta	2.72		
Jeep	Grand Cherrokee	2.94		
Jeep	Liberty	3.25		

CHART H1 (MOTOR HOMES) COMPLAINT FILED INDEX BY MAKE AND MODEL

MAKE	MODEL	COMPLAINTS FILED	COMPLAINT SHARE	AVG. TX SALES	MARKET SHARE	CFI	
Airstream	Westfalia Van	2	0.30%	Unknown	Unknown	Unknown	
Alfa Leisure	See Ya	1	0.15%	31	1.0535%	0.14	
Coachmen	Leprechaun	1	0.15%	Unknown	Unknown	Unknown	
Country Coach	Magna	1	0.15%	5	0.1603%	0.93	
Dynamax	Grand Sport	1	0.15%	9	0.3092%	0.48	
Fleetwood	American Tradition	1	0.15%	1 <i>7</i>	0.5840%	0.26	
	Discovery	1	0.15%	74	2.5306%	0.06	
	Excursion	1	0.15%	33	1.1336%	0.13	
	Terra LX	1	0.15%	15	0.5153%	0.29	
Forest River	Charleston*	1	0.15%	6	0.1889%	0.79	
Four Winds	Dutchmen	1	0.15%	22	0.7558%	0.20	
	Fun Mover	1	0.15%	Unknown	Unknown	Unknown	
	Infinity	1	0.15%	2	0.0573%	2.61	
	Mandalay	1	0.15%	12	0.4122%	0.36	
Gulfstream	BT Cruiser	3	0.45%				
	Endura	1	0.15%	173	5.9315%	0.08	
	Tourmaster	2	0.30%	1/3		0.08	
	Yellowstone	1	0.15%				
Jayco	Seneca	1	0.15%	43	1.4657%	0.10	
Monaco	Cheetah	1	0.15%	Unknown	Unknown	Unknown	
	Ambassador by Holiday	1	0.15%	Unknown	Unknown	Unknown	
	Rambler	'	0.15%	Unknown	Unknown	Unknown	
Newmar	NewAire	1	0.15%	Unknown	Unknown	Unknown	
Tiffin	Allegro	1	0.15%	132	4.5460%	0.03	
	Phoeton	1	0.15%	84	2.8742%	0.05	
Western RV	Alpine	1	0.15%	25	0.8474%	0.18	
Winnebago	Itasca	2	0.30%	533	18.3213%	0.00	
-	View	1	0.15%	333	18.3213%	0.02	
TOTAL COMPLAINT	S FILED	32	4.8%			-	

Note: The market share for each make/model is based on the total motorhome sales in Texas of 2.911 units.

^{*} Texas sales for these models are based on a two year average.

CHART H2 (TRVs) COMPLAINT FILED INDEX BY MAKE AND MODEL

MAKE	MODEL	COMPLAINTS FILED	COMPLAINT SHARE	AVG. TX SALES	MARKET SHARE	CFI
Ameri-Camp	Summit Ridge	1	0.15%	8	0.0352%	4.25
Cruiser RV	Land Roamer*	1	0.15%	11	0.0483%	3.09
Dutchmen	Adirondack	1	0.15%	Unknown	Unknown	Unknown
	Colorado	1	0.15%	183	0.8044%	0.19
Fleetwood	Orbit	1	0.15%	25	0.1084%	1.38
	Quantum*	1	0.15%	15	0.0637%	2.35
	Terry	1	0.15%	339	1.4900%	0.10
Forest River	Flagstaff	2	0.30%	273	1.1985%	0.25
	Sandpiper	1	0.15%	221	0.9714%	0.15
	Work & Play	1	0.15%	131	0.5773%	0.26
Gulf Stream	Ameri-Lite	1	0.15%	365	1.6058%	0.09
	Mako	1	0.15%	303		0.09
Hi-Lo	Classic	1	0.15%	34	0.1494%	1.00
Jayco	Designer	1	0.15%	55	0.2403%	0.62
K-Z	Coyote	1	0.15%	64	0.2828%	0.53
	Escalade	1	0.15%	44	0.1949%	0.77
	Frontier	1	0.15%	92	0.4044%	0.37
	Sportsmen	1	0.15%	278	1.2219%	0.12
Keystone	Laredo	1	0.15%	198	0.8703%	0.17
	Cougar	1	0.15%	397	1.7450%	0.09
Monaco	Presidential by Holiday Rambler	1	0.15%	47	0.2051%	0.73
Palomino	Thoroughbred	1	0.15%	37	0.1641%	0.91
Teton	Liberty	1	0.15%	Unknown	Unknown	Unknown
TOTAL COMPLAINTS FI	LED	24	3.6%			

Note: The market share for each make/model is based on the total TRV sales in Texas of 22,751 units.

CHART H3 (MOTORCYCLES AND ALL TERRAIN VEHICLES) COMPLAINT FILED INDEX BY MAKE AND MODEL

MAKE	MODEL	COMPLAINTS FILED	COMPLAINT SHARE
American Ironhorse	Slammer (MC)	1	0.15%
American Performance Cycle	Highroller (MC)	1	0.15%
Aprilia	Scarabeo (MC)	1	0.15%
Baja	Wilderness (ATV)	1	0.15%
Ducati	S2R 1000 (MC)	1	0.15%
	Sport 1000 (MC)	1	0.15%
E-MAX	Standard (MC)	2	0.30%
Harley-Davidson	FLHTCUI (MC)	1	0.15%
Honda	Interceptor ABS (MC)	1	0.15%
	VTX 1800 (MC)	1	0.15%
Kawasaki	Ninja (MC)	1	0.15%
Kubota	RTV900 (ATV)	1	0.15%
Polaris	Ranger (MC)	1	0.15%
SunL Group	150 (MC)	1	0.15%
TNG	Verona (MC)	1	0.15%
United Motors	Matrix (MC)	1	0.15%
Yamaha	V-Star (MC)	1	0.15%
TOTAL COMPLAINTS FILED		18	2.7%

^{*} Texas sales for these models are based on a two year average.

Chart I shows how many defects by component system or category consumers reported on filing their complaints. Consumers reported 1,302 defects or 1.95 defects per vehicle with the engine (performance/emissions) category being the most common (17.82 percent). By comparison, in CY '06 consumers reported 1,027 defects, which was 1.74 defects per vehicle. The engine (performance/emissions) category was also the most common.

CHART I DEFECTS REPORTED

CATEGORY	NUMBER	PERCENT OF TOTAL REPORTED
Engine (mechanical)	112	8.60%
Engine (performance/emissions)	232	17.82%
Air conditioning and heating	62	4.76%
Automatic transmission	79	6.07%
Standard transmission	19	1.46%
Driveline(axles and driveshaft)/vibrations	67	5.15%
Brakes	53	4.07%
Electrical	184	14.13%
Suspension and steering	102	7.83%
Body and trim	121	9.29%
Paint	11	0.84%
Water leaks	55	4.22%
Safety devices, seat belts, airbags	106	8.14%
Other	99	7.60%
TOTAL DEFECTS REPORTED	1302	100%

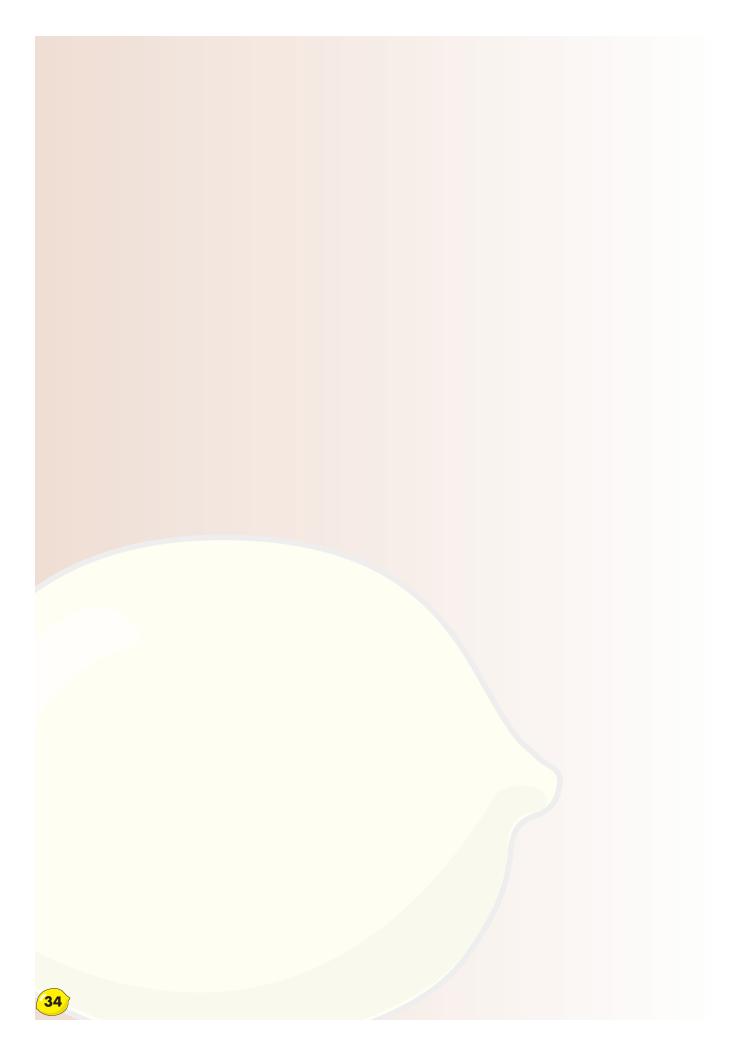
Chart J shows the predominate defect claimed by consumers on filing their complaints for vehicles with a market share of one percent or greater. The engine (performance/emissions) category was a predominate defect on eight of the 16 models listed. The electrical category was a predominate defect on five of the 16 models listed.

The model's predominate defect percentage was obtained by dividing the total number of predominate defects reported for that model by the total number of complaints filed.

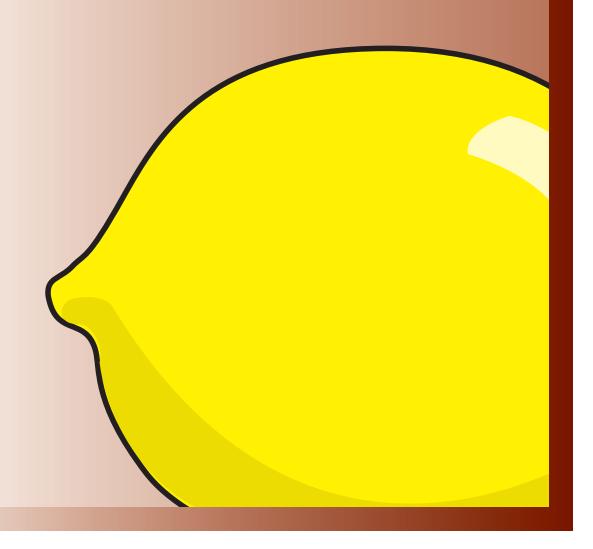
Example: Ford Mustang had a total of three different defects reported on two complaints that were filed. There was one defect reported in the automatic transmission category, one defect reported in the electrical category and one defect reported in the engine performance/emissions category. The defect percentage for the predominate defect is found by dividing the number of defects reported in the predominate category (1) by the number of complaints received (2), which equals .5 or 50 percent.

CHART J PREDOMINATE DEFECTS REPORTED (MARKET SHARE GREATER THAN 1%) BY MAKE AND MODEL

MAKE	MODEL	COMPLAINTS FILED	DEFECT	DEFECT % FOR MODEL
Chevrolet			Automatic transmission	100%
			Driveline/vibrations	100%
	Cobalt	1	Electrical	100%
	Cobair	'	Engine (performance/emissions)	100%
			Safety devices/seat belts/airbags	100%
			Suspension and steering	100%
	Silverado	21	Suspension and steering	43%
	Suburban	6	Safety devices/seat belts/airbags	67%
	Tahoe	8	Electrical	63%
Dodge	Ram Series	44	Engine (performance/emissions)	50%
Ford	Expedition	5	Other	60%
	F Series	35	Engine (performance/emissions)	40%
		2	Automatic transmission	50%
	Mustang		Electrical	50%
			Engine (performance/emissions)	50%
GMC	Sierra Series	7	Brakes	57%
			Automatic transmission	50%
		4	Electrical	50%
	Yukon		Engine (performance/emissions)	50%
			Other	50%
			Safety devices/seat belts/airbags	50%
Honda	Accord	2	Engine (performance/emissions)	100%
	C: :	4	Suspension and steering	50%
	Civic	4	Engine (performance/emissions)	50%
Nissan	Altima	7	Engine mechanical	43%
Toyota	Camry	8	Driveline/vibrations	50%
			Brakes	50%
	T D: 1		Electrical	50%
	Tacoma Pickup	2	Engine (performance/emissions)	50%
			Safety devices/seat belts/airbags	50%
	T D:	2	Other	67%
	Tundra Pickup	3	Suspension and steering	67%



COMPLAINTS CLOSED





COMPLAINTS CLOSED

Chart K shows 118 complaints were resolved before a hearing was scheduled. The following methods of resolution and the numbers resolved are:

- Lack of jurisdiction, no warranty defect, etc., 18 which is 15.25 percent of the total resolved
- Not pursued (some may have settled with the initiation of communication by the Motor Vehicle Division between the consumer and the manufacturer), 25 which is 21.19 percent of the total resolved
- Consumer received relief, 75 which is 63.56 percent of the total resolved

CHART K COMPLAINT RESOLUTION BEFORE HEARING SET

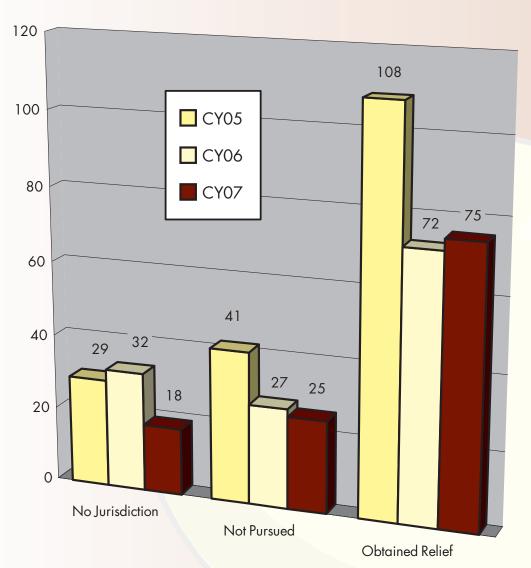


Chart L shows the number of cases settled in CY '07. Before a decision was issued, 332 complaints settled at various stages of the process.

- 80 (24.10 percent) settled prior to scheduling of a hearing
- 181 (54.52 percent) settled after a hearing was set but before the hearing was held
- 71 (21.38 percent) settled after a hearing convened

Of those that settled:

- 51 (15.36 percent) were repurchased
- 68 (20.48 percent) were replaced
- 5 (1.51 percent) were given trade assistance

CHART L SETTLEMENTS

	PRIOR TO HEARING SCHEDULED	AFTER HEARING SCHEDULED BUT BEFORE HEARING CONVENED	AFTER HEARING CONVENED
Repurchased	15	30	6
Replaced	23	35	10
Trade-assists	2	2	1
Repaired	13	31	14
Extended Service Contract	6	25	21
Others	21	58	19
TOTAL	80	181	<i>7</i> 1

Chart M compares the number of complaints closed for each manufacturer by repurchase, replacement or trade-assistance prior to the hearing being convened to the total number of complaints closed for the manufacturer. A comparison of the prehearing settlement rates indicates which manufacturers are more or less likely to settle early in the process.

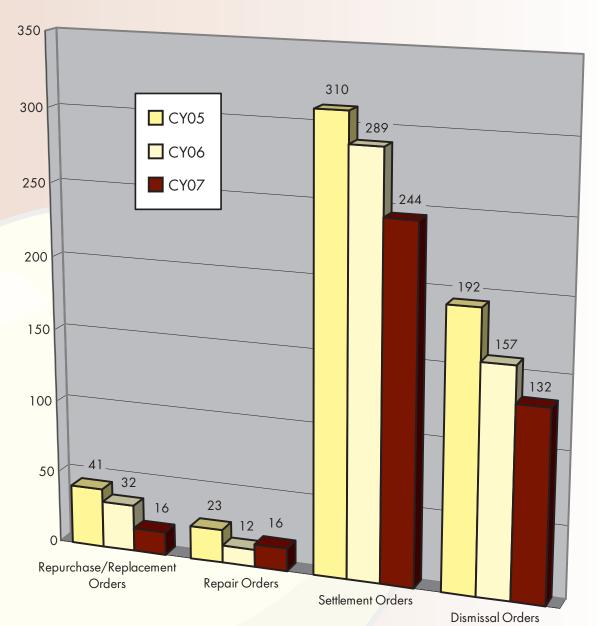
CHART M REPURCHASE/REPLACEMENT/TRADE ASSIST SETTLEMENTS BEFORE HEARING CONVENED - BY MANUFACTURER

MANUFACTURER	REPURCHASE	REPLACEMENT	TRADE ASSIST	PREHEARING SETTLEMENT TOTAL	COMPLAINTS CLOSED	PREHEARING SETTLEMENT %
American Ironhorse	0	1	0	1	1	100.00%
Piaggio Group	1	0	0	1	2	50.00%
Baja	1	0	0	1	1	100.00%
Chrysler	14	24	0	38	128	29.69%
Dutchmen	0	1	0	1	1	100.00%
Ford	0	6	0	6	70	8.57%
Forest River	1	1	0	2	6	33.33%
General Motors	7	8	2	1 <i>7</i>	129	13.18%
Gulf Stream	0	2	0	2	2	100.00%
Honda	1	4	0	5	14	35.71%
K-Z	0	1	0	1	1	100.00%
Kia	1	1	0	2	7	28.57%
Land Rover	0	1	0	1	5	20.00%
Mazda	4	0	1	5	14	35.71%
Mercedes-Benz	2	1	0	3	11	27.27%
Mitsubishi	0	1	0	1	3	33.33%
Nissan	3	0	0	3	27	11.11%
Saab	0	1	0	1	1	100.00%
Saturn	3	1	0	4	5	80.00%
SunL Group	1	1	0	2	2	100.00%
Suzuki	1	0	0	1	6	16.67%
Toyota	4	1	0	5	14	35.71%
Volkswagen	1	2	1	4	7	57.14%
TOTAL	45	58	4	107	457	

Chart N shows the orders that were issued in 408 cases scheduled for hearing. Some form of relief was granted in 68 percent of the cases. The following methods of resolution after the hearing was set and numbers resolved are:

- Ordered repaired, repurchased or replaced, 32 or eight percent of the total resolved
- Settlement order, 244 or 60 percent of the total resolved
- Ordered dismissed (abandoned or not proven), 132 or 32 percent of the total resolved

CHART N COMPLAINT RESOLUTION AFTER HEARING SET



Charts O1 and O2 reveal:

- The number of complaints closed **decreased** 9.02 percent from CY '06 and 24.06 percent from CY '05
- The number of hearings scheduled **decreased** 16.73 percent from CY '06 and 27.92 percent from CY '05
- The number of final orders issued decreased 17.76 percent from CY '06 and 42.11 percent from CY '05
- The number of vehicles ordered repurchased or replaced decreased 50 percent from CY '06 and 60.98 percent from CY '05

CHART O1 COMPLAINTS CLOSED COMPARISON

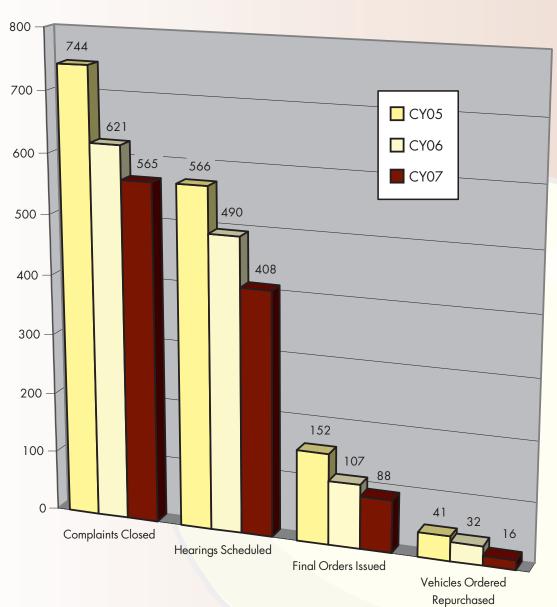


CHART O2 COMPLAINTS CLOSED - BY MANUFACTURER AND MAKE

MANUFACTURER	MAKE	COMPLAINTS CLOSED	HEARINGS SCHEDULED	FINAL ORDERS	REPURCHASE REPLACEMENT ORDERS
Alfa Leisure		1	0	0	0
Ameri-Camp		1	1	0	0
American Ironhorse		1	1	0	0
Aston Martin		1	1	1	0
Baja		1	1	0	0
BMW		10	10	4	0
	Chrysler	24	12	1	1
	Dodge	70	52	5	2
	Jeep	40	22	2	0
Chrysler TOTAL		134	86	8	3
CSMI Inc		1	0	0	0
Crossroads		1	1	0	0
Dynamax		1	0	0	0
E-MAX		2	2	0	0
Fleetwood		3	2	1	0
	Ford	61	53	15	1
	Lincoln	7	6	1	0
	Mercury	3	2	1	0
Ford TOTAL		<i>7</i> 1	61	17	1
Forest River		6	5	0	0
Freightliner		2	2	1	0
	Buick	3	3	1	0
	Cadillac	10	6	5	1
	Chevrolet	75	57	14	3
	GMC	17	9	5	4
	Hummer	2	2	0	0
	Pontiac	11	6	1	1
General Motors TOTAL		118	83	26	9
Gulf Stream		5	4	1	0
Harley-Davidson		1	1	0	0
	Acura	2	2	0	0
	Honda	13	7	3	0
Honda TOTAL	ļ	15	9	3	0
Hyundai	ļ	10	8	0	0
Isuzu		2	2	1	0
Jaguar	<u> </u>	3	2	0	0
Jayco		2	2	0	0
Keystone		3	2	1	0
Kia		12	10	2	1
K-Z	-	1	0	0	0
Land Rover		6	4	0	0
Mack		1	1	0	0
Mazda	<u> </u>	15	9	0	0
Mercedes-Benz		11	10	0	0
Mitsubishi		4	3	2	0
	Holiday Rambler	1	1	0	0

CHART O2 (CONTINUED)

MANUFACTURER	MAKE	COMPLAINTS CLOSED	HEARINGS SCHEDULED	FINAL ORDERS	REPURCHASE REPLACEMENT ORDERS
	Monaco	4	4	0	0
Monaco TOTAL		5	5	0	0
National RV		1	1	1	0
Newmar		1	1	0	0
	Infiniti	5	3	1	0
	Nissan	25	22	5	0
Nissan TOTAL		30	25	6	0
Paccar		1	1	0	0
Peterson		1	1	0	0
Piaggio Group		3	3	0	0
Saab		1	0	0	0
Saturn		6	3	0	0
Saxon		1	0	1	1
Subaru		2	1	1	0
SunL Group		2	1	0	0
Suzuki		11	8	4	1
	Airstream	2	0	0	0
	Dutchmen	1	1	0	0
	Four Winds	1	1	0	0
Thor TOTAL		4	2	0	0
Tiffin		2	1	1	0
	Lexus	1	0	0	0
	Toyota	15	10	4	0
Toyota TOTAL		16	10	4	0
	Audi	1	1	1	0
	Volkswagen	20	14	1	0
Volkswagen TOTAL		21	15	2	0
Volvo		4	2	0	0
Winnebago		2	2	0	0
Yamaha		6	3	0	0
TOTAL CLOSED		565	408	88	16

There were 16 vehicles ordered repurchased or replaced after a contested hearing when an Administrative Law Judge found the complaint met the statutory requirements for relief under the Lemon Law.

Included are:

- 4 passenger cars
- 11 light trucks
- 1 motorcycle

Chart P describes the vehicles that were ordered repurchased or replaced by manufacturers listed alphabetically by make and model.

The make's share of lemons (repurchase percentage) was obtained by dividing the number of that make's vehicles found to be lemons by the total number of vehicles found to be lemons by the Motor Vehicle Division (16).

Example: GMC had four vehicles repurchased, which would be 4 divided by 16, which equals .25 or 25 percent.

■ The lemon index for each make was obtained by dividing the make's share of lemons by its market share in the state.

Example: Ford has a repurchase percentage of 6 percent which, when divided by their market share of 14.68 percent, gives them a lemon index of 0.43.

Use of the chart must be tempered by several considerations:

- The number of vehicles ordered repurchased or replaced is very small compared to the number of new vehicles registered in Texas in CY '07. The importance of this is that one additional vehicle ordered repurchased or replaced may significantly change the lemon index for a particular model.
- The market percentage figures were obtained from The Polk Company and based on the last three years of sales. The market percentage is used as an indicator of market percentage for all year makes involved in repurchase or replacement orders.
- Comparisons to results reported by other states should be used with caution due to major structural differences in the lemon laws of various states.

CHART P VEHICLES ORDERED REPURCHASED OR REPLACED BY MAKE AND MODEL

YR	MAKE	MODEL	PROBLEM AREA	PRICE	MARKET	REPUR.	LEMON	
05	Cadillac	SRX	Electrical	\$35,166.99	1.49%	6.25%	4.20	
07	Chevrolet	Corvette	Standard transmission	\$46,306.91	14.83%	18.75%	1.26	
05	Chevrolet	Kodiak (MT)	Fuel system	\$47,429.67	14.83%	18.75%	1.26	
05	Chevrolet	Silverado	Engine - mechanical, automatic transmission	\$32,323.79	14.83%	18.75%	1.26	
04	Chrysler	Sebring	Water leaks	\$22,712.16	1.78%	6.25%	3.51	
04	Dodge	Ram 3500	Engine - performance/emissions	\$30,831.87	7.03%	12.50%	1.78	
06	Dodge	Ram 3500	Fuel system	\$38,940.39	7.03%	12.50%	1.78	
06	Ford	Explorer	Automatic transmission	\$24,030.16	14.68%	6.25%	0.43	
06	GMC	TC5C042 (MT)	Electrical, engine - performance/emissions	\$39,692.54	3.97%	25.00%	6.30	
06	GMC	TC5C042 (MT)	Electrical, engine - performance/emissions	\$45,529.65	3.97%	25.00%	6.30	
06	GMC	TC5C042 (MT)	Electrical, engine - performance/emissions	\$45,274.95	3.97%	25.00%	6.30	
07	GMC	Yukon	Engine - mechanical, automatic transmission	\$42,393.11	3.97%	25.00%	6.30	
05	Kia	Sedona	Suspension and steering	\$24,103.55	2.38%	6.25%	2.62	
06	Pontiac	Solstice	Engine - performance/emissions	\$25,143.59	1.17%	6.25%	5.35	
05	Saxon	Warlord (MC)	Electrical	\$23,413.20	Unknown	6.25%	Unknown	
05	Suzuki	Verona	Engine - mechanical	\$16,736.10	0.87%	6.25%	7.16	
	TOTAL VEHICLES REPURCHASED: 16 \$540,028.63							

Chart Q is provided to allow the reader to put the lemon index in perspective, taking into consideration the market share of the different manufacturers in Texas. The percentages are obtained by dividing the overall Texas sales for each manufacturer as furnished by The Polk Company by the total Texas sales. For the eleventh year, more new trucks were registered in Texas than new cars.

New vehicles registered in Texas in 2007:

- Cars 456,667
- Trucks 699,905 (includes sport utility vehicles and minivans)

CHART Q MARKET SHARE PERCENTAGE - BY MANUFACTURER AND MAKE

		APPROXIMATE I	TIP TITLE TO THE				
MANUFACTURER	MAKE	CARS		TRUCK	(S	COMBI	NED
	BMW		3.030%		0.506%		1.503%
	Mini		0.596%		0.000%		0.236%
BMW Total		3.626%		0.506%		1.738%	
	Chrysler		2.318%		1.432%		1.782%
	Dodge		2.977%		9.671%		7.0289
	Jeep		0.000%		3.891%		2.355%
Chrysler Total		5.295%		14.995%		11.165%	
	Ford		7.374%		19.455%		14.6859
	Lincoln		0.731%		1.066%		0.9349
	Mercury		1.019%		0.451%		0.6759
Ford Total		9.124%		20.972%		16.294%	
Freightliner		0.000%		0.009%		0.005%	
	Buick		1.106%		0.402%		0.6809
	Cadillac		2.112%		1.083%		1.4899
	Chevrolet		6.971%		19.954%		14.8289
	GMC		0.000%		6.558%		3.9699
	Hummer		0.000%		0.839%		0.5089
	Oldsmobile		0.000%		0.000%		0.0009
	Pontiac		2.569%		0.255%		1.1699
General Motors Total		12.758%		29.092%		22.642%	
	Acura		1.520%		0.715%		1.0339
	Honda		12.265%		5.608%		8.2379
Honda Total		13.785%		6.324%		9.270%	
Hyundai		3.547%		1.564%		2.347%	
İsuzu		0.000%		0.202%		0.123%	
Jaguar		0.221%		0.000%		0.087%	
Kia		3.919%		1.380%		2.382%	
Land Rover		0.000%		0.439%		0.266%	
Mazda		3.249%		1.293%		2.065%	
Mercedes-Benz		2.377%		0.696%		1.360%	
Mitsubishi		1.578%		0.598%		0.985%	
	Infiniti		1.619%		0.390%		0.875%
	Nissan		8.764%		5.405%		6.731%
Nissan Total		10.383%		5.795%		7.607%	
Porsche		0.328%		0.101%		0.191%	
Saab		0.268%		0.000%		0.126%	
Saturn		1.586%		1.077%		1.278%	
Subaru		0.475%		0.226%		0.324%	
Suzuki		1.332%		0.574%		0.873%	
	Lexus		4.007%		1.504%		2.492%
	Toyota		17.277%		12.104%		14.1479
Toyota Total	, , , , , , , , , , , , , , , , , , , ,	21.283%		13.608%		16.639%	
•	Audi		0.531%		0.102%		0.2719
	Volkswagen		3.424%		0.079%		1.400%
Volkswagen Total		3.955%		0.181%		1.671%	
Volvo		0.732%		0.477%		0.491%	
All Others		0.180%		0.001%		0.077%	
	<u>'</u>	100%		100%		100%	

Considering the number of complaints filed, the number of repurchase or replacement orders was relatively small in CY' 07. It is more beneficial to focus on the total number of complaints closed by the Motor Vehicle Division and compare how manufacturers responded to their respective share of complaints.

Chart R indicates at what rate and in what manner manufacturers settled complaints that were closed. It is noteworthy that certain manufacturers were particularly receptive to settling complaints rather than contesting them at a formal hearing. The following chart illustrates the settlement rates of different manufacturers listed by make of vehicle.

Taking into consideration manufacturers with a Texas combined market share greater than five percent, Chrysler LLC continues to settle a significant higher percentage of cases prior to the entry of a decision through the hearing process than other manufacturers. Chrysler LLC voluntarily repurchased or replaced 39 vehicles in FY' 07. These were not counted in determining its lemon index in Chart P. In addition, several manufacturers improved their settlement rates significantly this year.

CHART R SETTLEMENT RATE - BY MAKE OF VEHICLE

VEHICLE MAKE	NUMBER OF COMPLAINTS CLOSED	NUMBER SETTLED	SETTLEMENT %	REPURCHASED/ REPLACED
Acura	2	1	50%	1
Airstream	2	1	50%	0
Alfa Leisure	1	0	0%	0
Ameri-Camp	1	0	0%	0
American Ironhorse	1	1	100%	1
Aprilia	3	3	100%	1
Aston Martin	1	0	0%	0
Audi	1	0	0%	0
Baja	1	1	100%	1
BMW	10	3	30%	0
Buick	3	2	67%	0
Cadillac	10	2	20%	1
Chevrolet	75	35	47%	11
Chrysler	24	19	79%	4
Crossroads	1	1	100%	0
Dodge	70	54	77%	18
Dutchmen	1	1	100%	1
Dynamax	1	1	100%	0
E-MAX	2	0	0%	0
Fleetwood	3	2	67%	0
Ford	61	26	43%	5
Forest River	6	5	83%	2
Four Winds	1	1	100%	0
Freightliner	2	0	0%	0
GMC	1 <i>7</i>	8	47%	2
Gulf Stream	5	2	40%	2
Harley-Davidson	1	1	100%	0
Honda	13	6	46%	4
Hummer	2	1	50%	0
Hyundai	10	6	60%	1
Infiniti	5	4	80%	3
Isuzu	2	1	50%	0
Jaguar	3	3	100%	1
Jayco	2	1	50%	0
Jeep	40	30	75%	17
K-Z	1	1	100%	1
Kenworth	1	1	100%	0
Keystone	3	1	33%	0

CHART R (CONTINUED)

VEHICLE MAKE	NUMBER OF COMPLAINTS CLOSED	NUMBER SETTLED	SETTLEMENT %	REPURCHASED/ REPLACED	
Kia	12	7	58%	2	
Land Rover	6	3	50%	1	
Lexus	1	1	100%	0	
Lincoln	7	4	57%	1	
MACK	1	1	100%	0	
Mazda	15	11	73%	4	
Mercedes-Benz	11	6	55%	3	
Mercury	3	0	0%	0	
Mitsubishi	4	1	25%	1	
Monaco	5	2	40%	0	
National RV	1	0	0%	0	
Newmar	1	1	100%	0	
Nissan	25	15	60%	1	
Peterson	1	1	100%	0	
Pontiac	11	5	45%	2	
Saab	1	1	100%	1	
Saturn	6	5	83%	4	
Saxon	1	0	0%	0	
Subaru	2	1	50%	0	
SunL	2	2	100%	2	
Suzuki	11	3	27%	1	
Tiffin	2	1	50%	0	
TNG	1	0	0%	0	
Toyota	15	9	60%	5	
Volkswagen	20	10	50%	3	
Volvo	4	2	50%	0	
Winnebago	2	2	100%	0	
Yamaha	6	3	50%	1	
TOTAL CLOSED	565	322		109	

Texas Motor Vehicle Division Lemon Law Rule §8.210 (43 TAC 8.210.4) requires a manufacturer to issue a disclosure statement, hang a disclosure label from the rear view mirror and re-title a reacquired vehicle prior to resale when the vehicle has been:

- ordered repurchased or replaced by the Texas Motor Vehicle Division,
- reacquired to settle a Motor Vehicle Division lemon law or general warranty complaint, or
- transferred to Texas after being reacquired to resolve a warranty claim in another jurisdiction.

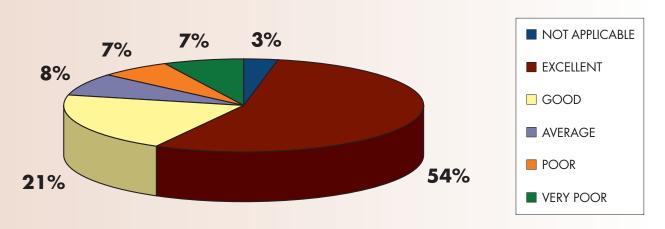
Chart S shows the number of vehicles reacquired by manufacturers for CY '05, CY '06 and CY '07. Both the disclosure statement and label are required to accompany the vehicle through the first retail sale. The selling dealer is required to return the completed disclosure statement and label to the Motor Vehicle Division within 60 days of the retail sale. The forms must be the ones provided by or approved by the Motor Vehicle Division. The manufacturer is also required to repair the defect or condition in the vehicle that resulted in the vehicle being reacquired and issue, at a minimum, a 12 month/12,000 mile (whichever comes first) basic warranty.

CHART S MANUFACTURER REACQUIRED VEHICLES

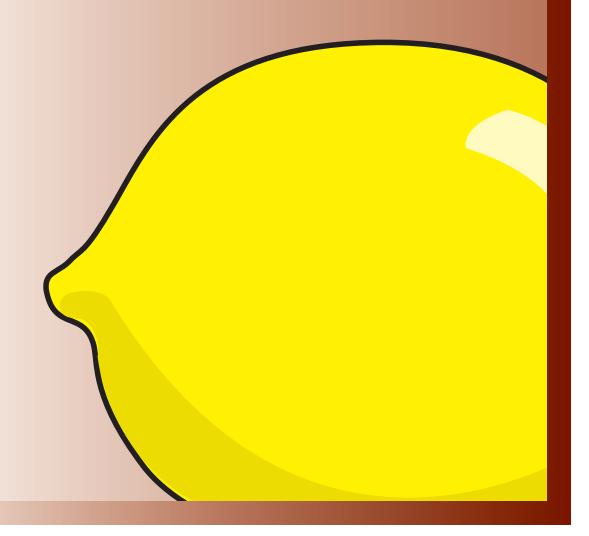
	CY '05	CY '06	CY '07
Ordered Repurchases/Replacements		32	16
Reacquired Vehicle Settlements	174	146	109
Reacquired Vehicles Transferred to Texas	121	274	461
Total	336	452	586

The customer satisfaction survey continues to indicate the overwhelming majority of the complaints rate the Texas Lemon Law Program above average, Chart T shows the rating by category.





CONCLUSION





CONCLUSION

The statistics for CY '07 reveal that most manufacturers have continued to view the Lemon Law as an opportunity to improve customer satisfaction and increase market share instead of costly litigation where success is defined as winning at any cost. As a result, manufacturers repurchased or replaced 109 vehicles in CY' 07, which helped minimize complaint processing times.

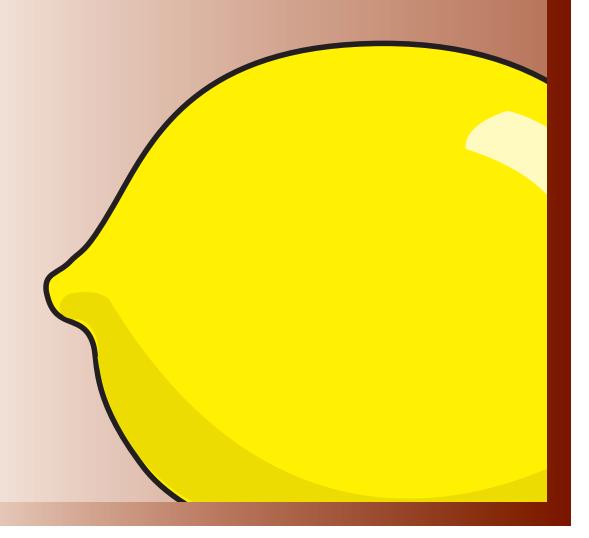
Further statistics reveal that in 62.7 percent of the complaints closed in CY '07, consumers received some type of relief totaling almost \$4.6 million in benefits to consumers. However, with the exclusion of the complaints closed for no jurisdiction, not pursued, withdrawn, etc., the success rate rises to 67.8 percent.

It is anticipated that the information presented here will be of benefit to consumers and manufacturers. Anyone who has questions may call (512) 416-4800 or toll-free (800) 622-8682 for further clarification. This report and additional Lemon Law information are available from the Texas Department of Transportation or on the Internet.

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ACKNOWLEDGMENTS





ACKNOWLEDGMENTS

The sixteenth annual report of the Texas Lemon Law Program was prepared with the help and toil of many. Several Motor Vehicle Division staff members made significant contributions while performing their regular duties. Special thanks to the Motor Vehicle Division's employees:

Anne Lehnick Stephanie Rogers Cindy Sedillo

These employees' tireless and meticulous work made the report possible. All of the Consumer Affairs Section's staff deserve a sincere word of gratitude for their support and cooperation during the entire year while contributing to the preparation process.

L. David Brunke Director - Consumer Affairs



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Produced by the Motor Vehicle Division, P.O. Box 2293, Austin, Texas 78768
Texas Department of Transportation

January 2009